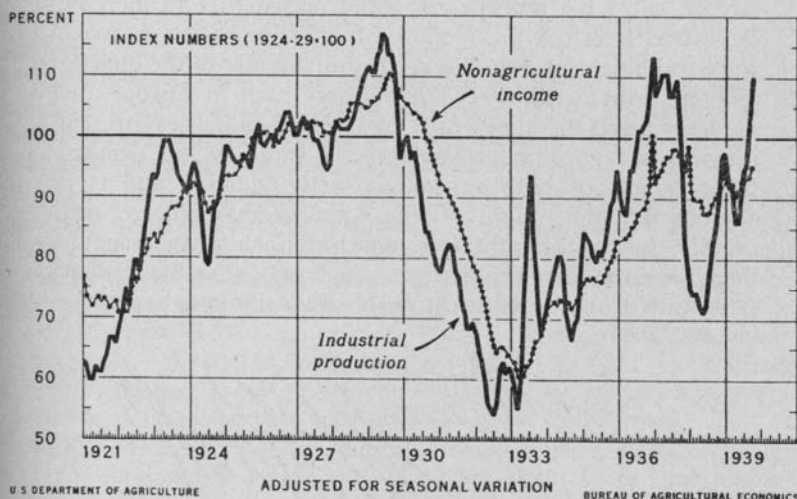


Agricultural Outlook for Illinois

1940



INDUSTRIAL PRODUCTION AND NONAGRICULTURAL INCOME, UNITED STATES, 1921-1939

Income of nonagricultural groups, based chiefly upon volume of industrial production, is an important factor in the demand for farm products. After declining during the first quarter of 1939, industrial production and nonagricultural income began to rise in June, and in October industrial production averaged as high as for the year 1929. Altho a temporary decline is likely to occur sometime in 1940, the general recovery movement is expected to continue.

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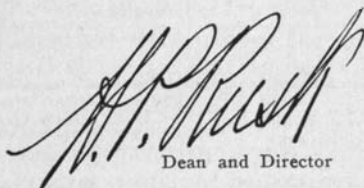
Circle 500

December 1, 1939

PURPOSE OF THE ILLINOIS OUTLOOK

NOT ALL FARM PROBLEMS can be solved by learning new skills or adopting improved methods of production. World-wide political and economic conditions and the complex relationships of agriculture with industry and labor should be considered in developing farm plans. The Illinois Agricultural Outlook for 1940 is intended to supply reliable information on some of these factors.

This Outlook makes no attempt to tell farmers when to buy or sell, what acreages to plant, or whether to increase or restrict livestock production, for it is impossible to make a general blueprint that will apply individually to the quarter million farms in Illinois. Furthermore, war in Europe and in other parts of the world materially influences present judgments regarding probable world supplies and demand for products of both agriculture and industry; and it is obvious that the weight of this influence may change very rapidly during the next few months. Each farmer should thus be on the alert for changes which may alter the outlook from time to time—he must do his own thinking and make his own decisions.

A stylized, handwritten signature in dark ink, appearing to read "H. P. Rush". The signature is fluid and cursive, with the first and last names being more prominent than the middle initial.

Dean and Director

December 1, 1939

Additional copies of this OUTLOOK may be obtained by addressing the College of Agriculture, University of Illinois, Urbana.

Outlook in Brief

(With applications to Illinois farm conditions)

DOMESTIC DEMAND for farm products will probably average stronger in 1940 than in 1939. Industrial production in the last quarter of 1939 reached a point about as high as the average of the boom year 1929, but a temporary reaction from this level is expected sometime in 1940 if large inventories begin to accumulate.

Foreign Demand. The foreign demand for some farm products, fresh fruits for example, will be reduced as a result of the European war, while that for some other products, such as pork and lard, may be increased. Total U. S. agricultural exports to Europe will not be greatly above those of recent years unless the sea blockade materially reduces shipments from other exporting countries.

Farm Family Living. Net cash income available to farm families is expected to be somewhat larger in 1940 than in 1939. Marketings of some farm products will be larger and prices of some will be higher, while production costs are not likely to increase very much.

Wheat. World supplies of wheat are by far the largest on record, and there is no prospect for reduction in acreage seeded for harvest in 1940-41. U. S. wheat prices in 1939 were maintained considerably above world levels by government loans to farmers and by export subsidies. Recently wheat prices have been supported by prospects for a poor crop of winter wheat in 1940.

Soybeans. Prices of soybeans have benefited by a much stronger domestic demand for high-protein feeds and by increased exports of soybeans. A larger acreage of soybeans will be seeded in 1940.

Feed Grains. Total feed-grain supplies per grain-consuming animal unit are about the same as in 1938-39, but about 10 percent above the average of the ten years 1923-1932. Supplies of "free" corn (available for sale or feeding) will be less, however, because of larger quantities under seal. Total corn supplies are materially larger than a year ago. Even tho large quantities are placed under seal, prices during the winter and spring of 1940 may not average much above those of 1939. Oat supplies are comparatively small, and prices will be strong in relation to other feed grains during the winter and spring of 1940.

Forage-Crop Seeds. Supplies of most forage-crop seeds are ample, but prices in the spring of 1940 may be higher than a year earlier.

Insect Damage. Danger of insect damage to stored grain will be greater than usual in 1940 because of larger stocks of grain on farms and heavier infestation of insects. Chinch bugs again are threatening thruout central Illinois.

Beef Cattle. Prices of beef cattle are comparatively high, and cattle numbers may be expected to continue to increase for a few years. Marketings of fed steers may increase moderately in 1940, but slaughter of cows and heifers will continue low unless ranges and pastures are poor.

Usual seasonal price swings are expected. Increased production of beef can be expected after 1940.

Hogs. The increased supply of hogs for 1940 will be offset by an increase in domestic and foreign demand. The usual seasonal price fluctuations are anticipated.

Lambs and Wool. Demand for lamb and particularly for wool, should average better in 1940 than in 1939; supplies will be about the same.

Poultry and Eggs. Prices will be supported in the first part of 1940 by a strong consumer demand and in the last part by smaller marketings.

Dairy Products. Increased demand for dairy products, better marketing methods in some markets, and some increase in milk production are in prospect. Farm income from the sale of dairy products should be larger in 1940 than in 1939.

Fruit. Apples will meet increasing competition from citrus fruits. Peach production will continue upward during the next few years. Domestic demand for fruits may be better in 1940 than in 1939.

Commercial Truck Crops. Acreage will be greater in 1940 than in 1939, but increased demand will tend to support prices.

Additional Outlook Material. It will be particularly important in 1940 to watch for indications of change in the domestic and foreign demand for farm products. Current information will be given in Price and Demand Situation (monthly, U.S.D.A.) and Illinois Farm Economics (monthly, Dept. Agr. Economics, Univ. of Ill.). Information on supplies will be given in the December and June pig-crop reports, the report of livestock numbers on farms January 1, quarterly reports of grain stocks on farms, and monthly crop reports, U.S.D.A.

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The statements in this Outlook are based largely on data prepared by the U. S. Department of Agriculture

Agricultural Outlook for Illinois in 1940

GENERAL AGRICULTURAL SITUATION

FAVORABLE FACTORS

1. The index of U. S. industrial production has risen rapidly during the fall of 1939, and in October was slightly above the average of 1929.
2. New construction is needed in many lines, particularly in public utility plants and in housing facilities.
3. The increase in government expenditures for rearmament may more than offset a decline in other types of government spending.
4. Credit for both agriculture and industry will continue to be available in 1940 upon favorable terms.
5. The European war will increase the import needs of the belligerent nations.
6. Some neutral countries may turn in 1940 to the United States for a portion of the supplies which they have been obtaining from the countries now at war.

UNFAVORABLE FACTORS

1. In the last quarter of 1939, production appears to have increased faster than consumption, and a decline in business activity is likely if the anticipated war orders do not materialize.
2. The duration and nature of the European war, and its effect upon industry and agriculture in the United States, are highly uncertain.
3. War orders on the United States so far have been small, and for many raw materials and agricultural products they tend to be restricted by higher prices here than in Canada, South America, and other exporting countries.
4. The volume of unemployment in the United States is large and is not likely to be materially reduced in 1940.
5. The federal budget remains unbalanced, and the public debt is rapidly nearing the present statutory limit of 45 billion dollars.

DOMESTIC DEMAND FOR FARM PRODUCTS

Industrial production up. Assuming that the war in Europe will continue thru 1940, it is expected that the domestic demand for farm products will average stronger in 1940 than in 1939. Industrial production, a fundamental influence on the demand for farm products, declined during the first quarter of 1939, but in June a rise began which was accelerated in September by the outbreak of war in Europe. By December, 1939, the seasonally adjusted index is expected to equal or exceed the all-time high of 125 reached in June, 1929. Some reaction from this level is probable in 1940, after urgent demands upon industry have been satisfied; but the time and the extent of the reaction is uncertain. Later in the year purchases by belligerents and neutrals are expected to contribute to a resumption in the general recovery movement. Sharp fluctuations in industrial production are, however, likely to occur, partly as a result of uncertainties rising out of the war.

Prospects in most of the important industries appear fairly good, and earnings are increasing. The automobile industry is expecting a good year, as many old cars need replacing and more people are able to finance purchases. Residential building has increased during recent months; but new housing facilities, particularly small homes, are still greatly needed. The railroads announced in September a large program for improvement of tracks and rolling stock. Expenditures on the rearmament program in 1940, involving the construction of military



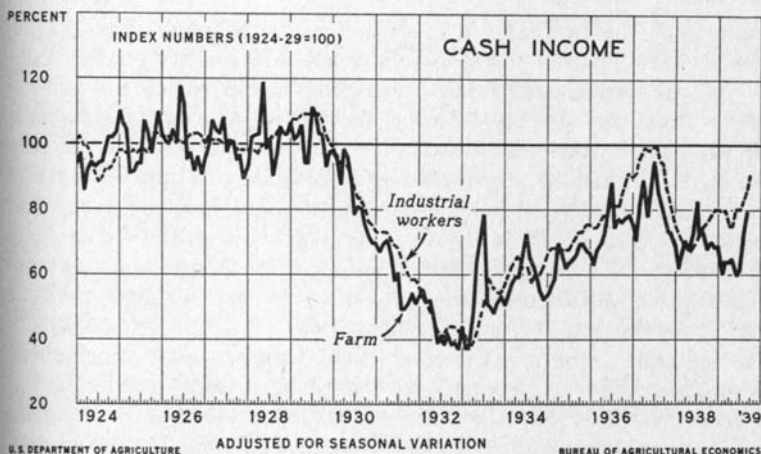
Prices received by farmers, United States, 1910-1939 (quarterly basis)

Following a decline which began in mid-1937, prices of U. S. farm products advanced sharply in September, 1939, upon the outbreak of war in Europe, but since September they have fallen off somewhat. When the World War began in 1914, prices of U. S. farm products rose very little for about two years, and did not reach their peak until more than a year after the end of the war.

schools and bases, warships, airplanes, and other implements of war, will tend to offset a decline in other types of government expenditures. Demands from all these industries converge upon the mines and steel mills. The increased demand for coal and other minerals in the fall of 1939 caused many old mines to be reopened. In October, 1939, the steel industry produced a record quantity of steel and had large unfilled orders.

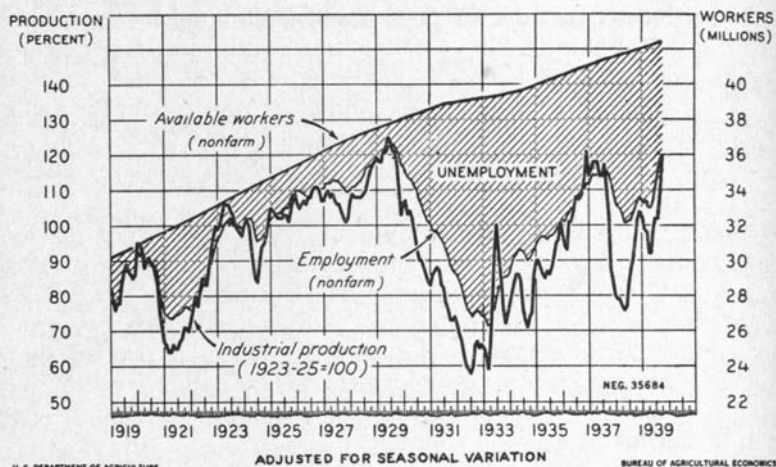
Demand restricted by unemployment. Altho industrial production and nonfarm employment in October reached the average of 1929, there were still 6 to 8 million unemployed. During the 11 years 1929-1939 the number of available nonfarm workers increased by over 5 million. Industrial production will have to rise 20 to 25 percent above the October rate to reduce unemployment to 1923-1929 levels. Since such an increase in industrial production is unlikely in 1940, a large amount of unemployment will continue.

Consumers' income higher. As a result of a larger volume of industrial production in 1939, consumers' income averaged considerably higher than in 1938, and a still higher average is expected in 1940. Because consumer incomes tend to lag behind industrial production, the demand for farm products will be benefited in early 1940 by the improvements in industrial production that have occurred in the fall of 1939.



Cash income from farm marketings and the income of industrial workers, United States, 1924-1939

During 1939 the income of industrial workers has averaged considerably higher than in 1938, while cash income from farm marketings was below corresponding 1938 levels until September. After June the index of cash income from farm marketings rose much more rapidly than the index of income of industrial workers.



Industrial production, and industrial employment and unemployment, United States, 1919-1939

Industrial production in October, 1939, averaged approximately the same volume as for the year 1929, but many more persons are unemployed now than then, largely because there are many more nonfarm workers now. Industrial activity must rise much above any previously attained level in order to employ as large a proportion of the workers now available as were employed in 1923-1929.

Prices up. The increase in cash farm income from marketings, that had been anticipated for 1939 as a result of a higher level of consumers' income, did not materialize until September, when the general price-level advanced sharply. The probable trend in the 1940 price-level, as well as the rate of industrial production and the level of consumers' income, must be considered in appraising the outlook. Although some advance in the general level of prices might have occurred had the European war not broken out, the war will make for a level higher than would otherwise have developed. It is probable that the September price adjustments due to the war are all that may be expected from the war for some months.

The September rise in prices of farm products was more rapid than the rise in prices of products purchased by farmers for living and production. The index of the ratio of prices received to prices paid increased from 74 in August, 1939, to 80 in September and October, thus restoring a more favorable relationship between prices of farm products and costs of living and production.

Higher income from farm marketings. A slightly larger volume of agricultural products is expected to be sold in 1940 than in 1939, and at somewhat higher prices.

Government payments to farmers were the largest on record in 1939, and are expected to be about the same in 1940.

INFLUENCE OF THE EUROPEAN WAR

Major wars are accompanied in the warring nations by increased demand, reduced production, expansion of credit and currency, and higher price-levels. The influence on neutral countries varies greatly, according to the particular circumstances in each country. Any temporary economic advantage gained by the United States as a result of the European war will be offset by a difficult period of readjustment in production and prices at the close of the war.

Factors favoring higher U. S. exports. At the outset of the present war the United States had no large trade with Germany to be lost, as in 1914. The import requirements of belligerents will be increased, as they were during the World War, and any military activity upon the seas which seriously interferes with the shipping of goods to Europe will tend to concentrate the demand upon North America because of the nearness of this continent to Europe compared with most other exporting countries.

As for purchasing power, Great Britain and France have 7 billion dollars in gold and other liquid assets which can readily be used to finance their needed imports, an annual production of 700 million dollars in gold in the British and French empires, and foreign exchange from the exports that they can continue to make. Neutral countries, particularly those in Central and South America, may turn in 1940 to the United States for a part of the supplies of manufactured goods which they have been obtaining from the countries now at war.

Factors tending to restrict U. S. exports. The European nations now at war are not so dependent upon imports as they were in 1914. They have made more advance preparations for war, and have larger supplies on hand. World stocks of some agricultural and nonagricultural products are larger. Sources of supplies which have been developed in Canada, South America, Africa, and other places, coupled with greatly increased shipping facilities, have made Europe less dependent upon the United States than in 1914. The belligerents are adopting more prompt and effective control of imports and prices. Furthermore, direct credits in the United States to the belligerents will be more restricted.

All these factors will tend to minimize the effects of wartime demands on exports from the United States and on the price-level here.

FARM CREDIT

Ample credit to be available. In 1940, Illinois farmers will find ample credit available at rates as low as or lower than those prevailing during the two years previous and under similar conditions. Somewhat more short-time credit is likely to be used as farmers expand their livestock enterprises, carry a larger inventory of corn, and make larger

purchases of farm and home equipment. A considerable amount of short-time credit will be available at local banks. Banks in corn-belt towns of less than 15,000 population had demand deposits 20 percent greater in July, 1939, than the average of 1924-1929. Loans will continue to be available from the cooperative production credit associations.

Farmers who qualified by participating in the agricultural adjustment program in 1939 will be able to obtain Commodity Credit Corporation loans on suitably stored corn at the same loan rate per bushel as last year and at 1 percent lower interest. Some production credit associations and banks will also make loans with stored corn as security.

Ample mortgage credit will continue to be available on favorable interest and repayment terms. Funds will be obtained from both private and federal agencies. Increased amounts will be available in certain counties, under the Farm Tenant Act, to allow tenant farmers to purchase farms.

The volume of new federal loans to low-income farmers for rehabilitation and emergencies will be smaller in 1940 than in 1939, but the total amount of such loans outstanding is likely to increase, as these types of loans are repaid very slowly.

Need for caution in contracting new debts. Many Illinois farmers can use more credit to advantage, but if there is a marked advance in the price of farm products, many individuals will doubtless contract debts for the purchase of land or operating equipment in excess of their long-time ability to repay.

Sources of credit for cooperatives. Credit for Illinois farmers' cooperative associations will be available from private banks and the Bank for Cooperatives. The Bank for Cooperatives can extend longer-term credits under some circumstances.

ILLINOIS FARM CONDITIONS IN 1939

Production high. Yields in Illinois in 1939 were in general the largest in several years. Total production of important Illinois farm crops, as percentages of the 10-year average 1928-1937, was as follows in 1938 and 1939:

	<i>Percentage of 1928-1937</i>			<i>Percentage of 1928-1937</i>	
	<i>1938</i>	<i>1939</i>		<i>1938</i>	<i>1939</i>
Corn.....	123	135	Tame hay.....	129	131
Oats.....	88	74	Pasture (average)....	127	117
Wheat.....	123	112	Apples.....	59	147
Soybeans.....	273	369	Peaches.....	96	133

Late drouth. A serious drouth spread over much of the state in the late summer of 1939, but in most sections field crops were more

advanced than usual and so escaped serious damage. The drouth made conditions unfavorable for seeding winter wheat, caused soybeans to ripen abnormally, and injured pastures and young clover and alfalfa stands.

Large supply of old corn. On October 1, 1939, Illinois farmers had on hand 120 million bushels of old corn, or one-third of the crop produced in 1938. This was more than four times the average carry-over during the 10 years 1928-1937.

Prices still low. Prices of Illinois farm products during the first 8 months of 1939 averaged 10 percent lower than during the same period of the previous year. Altho prices rose about 20 percent at the outbreak of the war, they remained somewhat lower thru September and October than the average for 1938.

Cash income increasing. Receipts from the sale of the principal Illinois farm products during the first nine months of 1939 were 317 million dollars, or 4 percent less than in the first nine months of 1938. It is likely, however, that the higher prices of some products and the larger marketings of hogs in the last three months of 1939 will bring the total receipts for the year somewhat above those of 1938. Government payments to Illinois farmers in the first nine months of 1939 were over 24 million dollars, or nearly three times as much as in the same period of 1938.

FARM EQUIPMENT AND SUPPLIES

Prices likely to be higher. Farm-machinery prices are likely to be somewhat higher in 1940 in view of prospective advances in costs of materials and labor. Machinery sales were large in 1939. The development of small tractors and combines has made it possible for smaller farms to be completely mechanized. Such mechanization decreases the demand for farm labor. More than 80 percent of the tractors sold in Illinois in 1940, it is estimated, will be equipped with rubber tires. Prices of motor trucks may be higher in 1940. Price quotations for fuels and lubricants in many instances are being limited to 90-day periods, in anticipation of price advances.

Lumber prices slightly higher. Lumber prices advanced late in 1939. Only slight price advances are expected in 1940. A larger volume of farm building is expected if farm income does not decline.

Use of electricity expanding. Highline building is continuing at a rapid rate. Some 30 percent of Illinois farms now have electricity. It is expected that 50 percent will be electrified by 1941. There is a move toward complete electrification of areas now being served by only a few main lines. Prices of electrical equipment probably will be slightly higher, in line with advances in wage rates and prices of materials.

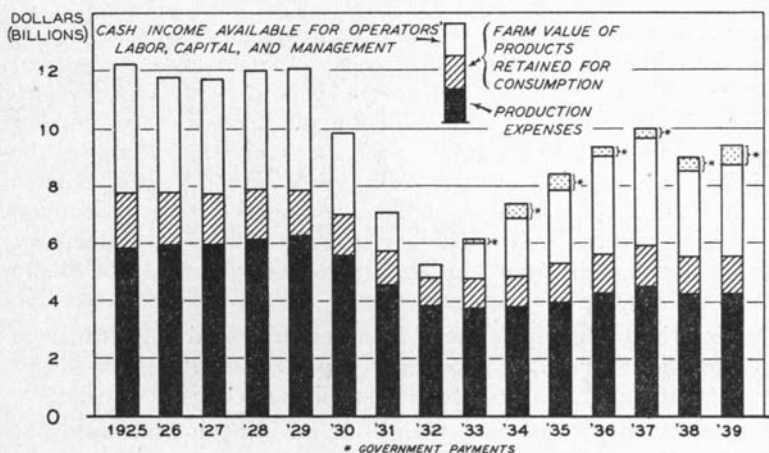
ILLINOIS FARM FAMILY LIVING

Net income probably higher in 1940. Net returns from farming are expected to increase more than gross returns in 1940 because production expenses will rise less rapidly than gross receipts. Income from government payments probably will be about the same as in 1939, but there is prospect of nonfarm earnings of family members increasing because of greater opportunities for employment.

Since prices of foods are likely to be higher, such foods as meats, dairy products, poultry, and fruits and vegetables may well be produced in sufficient amounts for family use, particularly by families whose cash income is not large enough to permit purchase of these foods in amounts adequate for health maintenance. Not only does the production of food for household use help the family financially, but it also improves general health. Increased use of pressure cookers, improved home storage, and wider distribution of freezer lockers for family use enable greater variety in year-round diets of farm families.

Purchasing power influenced by price increase. Business conditions that would bring about a rise in farm income would also tend to sustain a higher general retail price level; but the increased cost of living due to such higher retail prices probably would not be great enough to offset the increase in income. Some increase in purchasing power would then result.

Farm families need not fear any shortages of commonly purchased



Distribution of gross income from farm production, United States, 1925-1938, and estimated distribution in 1939

Net cash incomes of farm families will probably be somewhat higher in 1940 than in 1939. Production expenses are expected to rise, but not so rapidly as gross receipts.

foods in the 1939-40 season. Prices of food in late 1939 and in early 1940 will average somewhat above those in the first half of 1939.

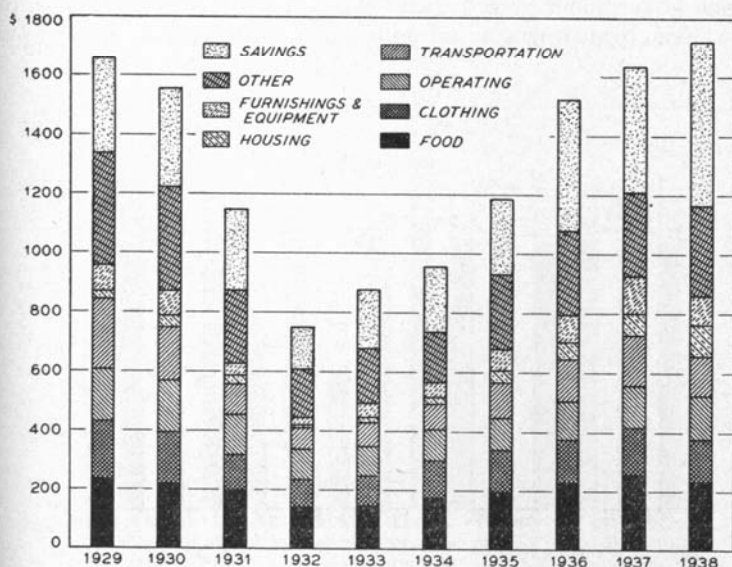
Prices of spring lines of ready-to-wear clothing may be somewhat higher in 1940 than in 1939, due primarily to increased manufacturing costs. Retail prices of cotton yard goods may not change, since raw cotton supplies are large. Wholesale prices of woolen and worsted goods increased sharply between August and October, and this will affect retail prices in 1940 if the wholesale price rise is maintained.

Prices of building materials for farm houses have been about the same in 1939 as in 1938 but a slight increase is expected in 1940.

Coal prices in 1940 may be somewhat higher than in 1939 if the minimum-price agreement recently proposed is made effective. Wholesale prices for rubber and petroleum products have advanced.

Prices of electrical equipment for household use may be higher in 1940 than in 1939 if an increase in production costs results from the increase in industrial activity.

Families who buy furniture in 1940 probably will find prices near the 1939 level. Prices of radios have declined each year since 1935.



How net cash income available for family living was used by Illinois account-keeping farm families, 1929-1938

The net cash income available to Illinois farm families for family living may be as large in 1940 as in any year since 1929. In planning the use of this income, farm families will find it helpful to study the use made of income by other families, as shown on this graph.

Credit ample for purchase of electrical appliances. During the first eight months of 1939 the Electric Home and Farm Authority made twice as many loan contracts for financing the purchase of electric appliances as for a similar period in 1937. In areas where new power lines are built, such loans may increase in 1940.

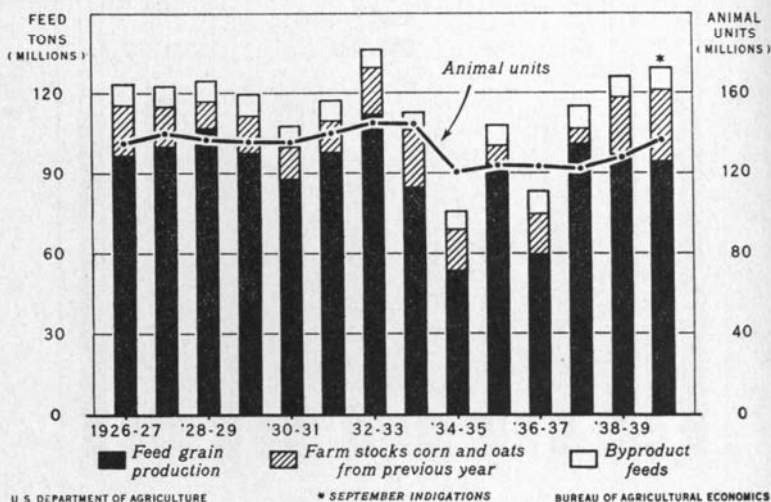
Trends in the use of credit for buying electric appliances probably are not indicative of the general trend of credit for other goods, since special programs fostering electrification in rural areas have given extraordinary impetus to purchases of electrical equipment.

Family living improved by long-time planning. Long-time goals, as well as short-time needs and desires, form the basis of family plans. Expenditures for adequate physical and mental health, home improvements, education, and recreation should be balanced against future security.

CROPS OUTLOOK

FEED GRAINS AND OTHER FEEDS: AMPLE SUPPLY

U. S. supplies of feed grains and forage crops are again above average and more than ample for livestock requirements. Excluding sealed and government-owned corn held over from previous crops, the supply of feed grains per animal unit is about the same as for the pre-



Supplies of feed grains and by-product feeds in relation to numbers of livestock on farms, 1926-1939

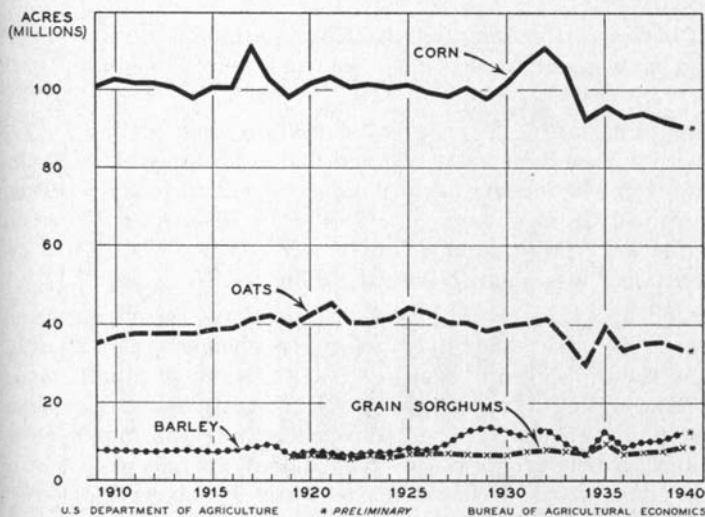
Both the supply of feed grains and the number of grain-consuming animal units on farms on October 1, 1939, were about 7 percent larger than a year earlier. The feed supply per grain-consuming animal unit was thus about the same as a year before, altho about 10 percent larger than for 1928-1932.

drouth average, 1928-1932. Heavy sealings of 1939 corn will reduce the supply available for feeding and marketing below this average.

Because of increases in numbers of livestock in relation to available feed supplies, prices of feed grains in 1939-40 are likely to average a little higher than in 1938-39.

No material increase over the reduced feed-grain acreage of the past three years is expected in 1940. With average grain yields in 1940 and the continued increase in livestock numbers that is likely, the supplies of feed grains per animal unit would be slightly lowered for the 1940-41 marketing year. However, a very large carryover of corn on October 1, 1940, is inevitable.

Corn supplies unusually high. The total supply of corn for 1939-40 is about 3.2 billion bushels, compared with 2.9 billion bushels in 1938-39, and 2.7 billion bushels for the 1928-1932 average. High yields of corn in the central and eastern corn belt, caused by a favorable season and extensive use of hybrid corn, plus an unusually large carry-over, account for the increase in supplies. Illinois corn acreage in 1939 was 4 percent under 1938, but total production was nearly 11 percent larger.



Harvested acreages of feed grains: corn, oats, barley, and grain sorghums, United States, 1909 to date

Since 1932, harvested acreages of feed grains in the United States have been reduced considerably, but during the last three years yields have been comparatively high as a result of favorable weather and the extensive use of hybrid corn. The 1940 corn acreage is expected to be somewhat smaller than that of 1939, but a larger proportion will be planted to hybrid varieties.

Much corn sealed. A large quantity of 1939 corn will be sealed. As large a quantity as was sealed in 1938 will need to be sealed in 1939 to reduce the total amount of "free" corn (for sale or feeding) to approximately the amount available in 1938-39, when "free" corn was plentiful thruout the year. Consumption, however, will be higher, because of larger livestock numbers.

Corn prices may average higher. Prices of corn may average slightly higher during the 1939-40 marketing year than in 1938-39 despite larger supplies because of larger numbers of livestock and the large quantity of corn that will be tied up in the loan program.

Oats supply below average. The 1939-40 estimated supply of oats is 17 percent below the 1928-1932 average. The U. S. production of oats in 1939 was 11 percent less than the 1928-1937 average. A relatively small crop of oats has caused more favorable prices for this crop, in relation to other feeds, than in recent years.

Barley supplies largest since 1928. The 1939-40 U. S. supply of barley is 328 million bushels, the largest since 1928, due to a 2-million-acre increase in 1938-39, favorable yields, and a 22-million-bushel increase in carryover. Illinois production of barley in 1939 was, however, only about 75 percent of the average produced during the ten years 1928-1937.

Use of barley for brewing will probably continue to decline slightly, but a stronger demand for livestock feed will tend to maintain barley prices at 1938-39 levels.

Hay supplies large. A crop of 84 million tons of hay in 1939, together with a 16-million-ton carryover, makes a supply of 100 million tons for the 1939-40 feeding year. This is 13 million tons (8 percent) larger than the 1928-1937 average and only 3 million tons (7 percent) less than the very large supply for 1938-39. The 1939 alfalfa crop (27 million tons) was about 6 percent below the 1938 crop.

Hay is cheap. Large supplies of hay per hay-consuming animal unit since 1936 have made hay relatively cheaper than livestock. Because of the agricultural conservation program, adequate forage-seed supplies, marked increases in acreages of soybeans and lespedeza, and the reestablishment of grazing lands, there is reason to believe that this relationship between prices of hay and of animals will continue thru 1940. Short crops of hay in eastern states, however, will result in some movement of Illinois hay to those regions.

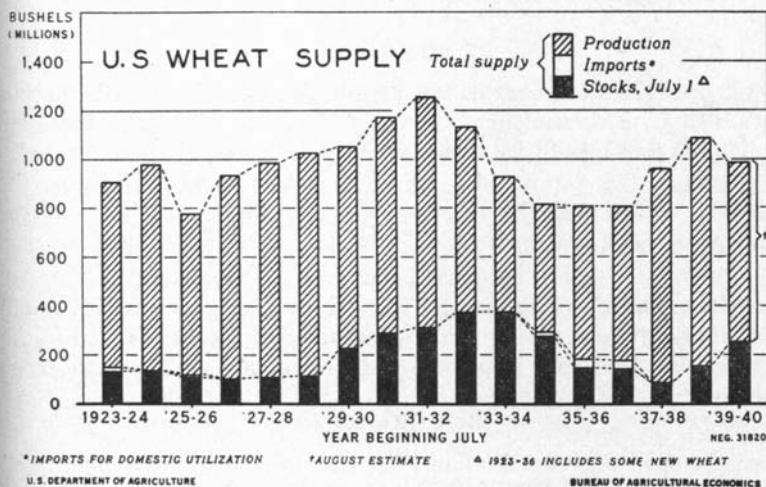
Pastures poor. Because of heat and drouth, pasture production over much of the United States in 1939 has been very low. In many sections pasture conditions on October 1, 1939, were comparable to those of the extreme drouth years of 1930, 1934, and 1936. Earlier feeding of hay in the fall of 1939 because of poor pastures may result in normal hay supplies at the end of the 1939-40 feeding year.

Larger supplies of high-protein feeds. The little increase in total supplies of commercial feeds is expected, the supply of high-protein feeds for 1939-40 will be larger than those of a year earlier. The increase is due mainly to the 1939 flaxseed crop being more than double that of 1938, and to the large soybean crop. The increased supplies of linseed and soybean meals will more than offset smaller supplies of other high-protein feeds. Production of cottonseed cake and meal for 1939-40 will be about the same as for 1938-39, but the carryover is smaller. Supplies of cake and meal from other oilseeds will be slightly smaller.

Other commercial feeds—about same as for 1938-39. Supplies of wheat mill feeds, distillers' and brewers' dried grains, and rice mill feeds will probably not differ much from a year ago, but supplies of gluten feed and meal and dried beet pulp will increase.

WHEAT

World supplies large. World carryover of wheat on July 1, 1940, is expected to be about 1.4 billion bushels, the largest on record. World acreage of wheat in 1940 will be about the same as in 1939, since decreases in combat areas are likely to be offset by increases elsewhere.



Wheat: sources of United States supply, 1923-1939

Reduced acreages and average yields put the 1939 United States wheat crop fairly well in line with normal needs. The crop (739 million bushels) was slightly less than the ten-year average (1929-1938) domestic disappearance and exports. The carryover on July 1, 1939, was, however, larger than average; and the carryover on July 1, 1940, will also be large. The poor condition of winter wheat during the late fall of 1939 gives prospect of a smaller crop in 1940.

U. S. production and supplies. The U. S. carryover of wheat on July 1, 1940, is estimated to be about 275 million bushels if exports during the present year total 40 million bushels. The U. S. acreage seeded to winter wheat for harvest in 1940 is about the same as that seeded for harvest in 1939 and during the ten-year period 1928-1937. If average yields are obtained, production will total about 75 million bushels more than the ten-year average consumption. However, unfavorable conditions at seeding time over much of the winter-wheat area may prevent normal yields.

War price boom not expected. U. S. wheat prices have been raised by the government loan program and the subsidies on exports, and are at a comparatively high level in relation to world prices.

Many people in this country remember the high prices and large exports of wheat during the World War, but overlook the fact that present world wheat supplies are 57 percent larger than in 1914, while world consumption today is only about 30 percent greater. Also imports by the United Kingdom may be expected to come from Canada, Australia, and Argentina rather than the United States. Furthermore it should be remembered that altho wheat prices advanced during the first year of the World War, the advance was due primarily to a world shortage of wheat. With an increase in the next year's supplies, wheat prices declined, and the sharp upturn did not occur until 1917.

BROOMCORN

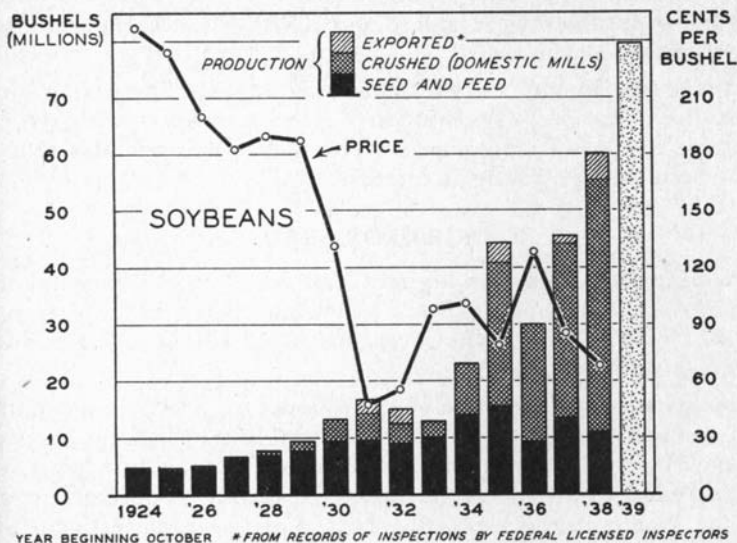
U. S. production lowest in ten years. As a result of a 21-percent reduction in U. S. broomcorn acreage under 1938, the estimated 1939 crop (28,200 tons) is 15,190 tons, or 35 percent lower than the 1929-1938 average. The estimated U. S. acre-yield was slightly below the 1929-1938 average, but the Illinois yield was slightly higher. Illinois broomcorn acreage was reduced 21 percent, the same as the national reduction.

Caution needed in planning 1940 crop. The year after a small crop a marked increase in acreage frequently occurs, resulting in overproduction and low prices. Such an increase is likely to occur in 1940.

SOYBEANS

Largest crop on record. The 1939 U. S. soybean crop, estimated at 80 million bushels, is 33 percent larger than the 60-million-bushel crop of 1938, the previous record crop. The six important commercial soybean-producing states of Ohio, Indiana, Illinois, Iowa, Missouri, and North Carolina had a 75-million-bushel crop, which is 39 percent greater than the 1938 crop for these states.

Processing and exports accounted for 84 percent of the 1938 U. S. crop of soybeans harvested for grain. Assuming that seed requirements



Soybeans: production, utilization, and average farm price, 1924-1939

Production and crushings of soybeans have increased greatly since 1934, and will increase further in 1940. Despite the large increases, soybean prices have held up well, depending more on prices of competing crops and products (feeds and edible oils) than on the supply of soybeans.

for the 1940 crop will be about the same as for 1939, approximately 70 million bushels will be available for commercial uses. Crushing capacity of U. S. processing plants is now about 80 million bushels.

Exports high. Exports of U. S. soybeans of the 1938 crop were 4.4 million bushels, the largest on record. About 4.5 million bushels of the 1939 crop were purchased for export prior to September 1, and substantial sales have been reported since that date. Manchuria, which normally furnishes 90 percent of the soybeans entering international trade, had a smaller crop in 1939 than in 1938, and the price of soybeans in that country during the summer of 1939 was relatively high.

The annual consumption of Manchurian soybeans in Germany is 20 to 30 million bushels, or nearly half the European total. This volume will probably be reduced in 1940. European consumption of both Manchurian oil and beans was reduced during the World War.

Large supplies of competing products. U. S. production of fats, oils, and protein concentrates from domestic materials will probably be greater in 1939-40 than even the large amounts of 1938-39. Increases are expected in lard, soybean oil, linseed oil, and greases, with a slight reduction in cottonseed oil. Prices of the major soybean products (meal and oil) will probably continue to be governed largely by prices

of competing products, such as lard and feedstuffs and products made from cottonseed and flaxseed.

Acreage expansion. Notwithstanding rapidly increasing production, the soybean crop continues to provide farmers with returns comparable to those from competing crops. It seems probable that in 1940 soybean acreage will again increase.

FORAGE-CROP SEEDS

Clover and alfalfa prices higher. Fall farm prices of seed of the various clovers and of alfalfa were somewhat higher than a year ago. Prices of clover seed were, however, somewhat below the average of the five years 1933-1937.

Supplies adequate. Alfalfa seed production in 1939 is estimated at 74.1 million pounds, which is 24 percent larger than the crop of 1938 and 24 percent larger than the average for the five years 1934-1938. Increases over 1938 production were mainly in northern areas, where the 1938 crop was especially short. Carryover was estimated at 5.7 million pounds—roughly 10 percent of the 1939 supply. Since the crop of seed of the hardier types was short in 1938 and importations were heavy, it seems likely that this carryover will consist largely of the less hardy domestic-grown and imported lots.

Red-clover seed production in 1939, estimated at 80.6 million pounds thresher run, is 27 percent below the large crop of 1938 but about 36 percent above the average of the ten-years 1928-1937. Carryover of red-clover seed, 22 million pounds, is largely in the hands of producers.

Production of alsike-clover seed, estimated at 19.5 million pounds for 1939, is about average altho 24 percent smaller than the large crop of 1938. Carryover of alsike is estimated at 3.9 million pounds, 61 percent of which is in the hands of producers.

Production of sweet-clover seed is estimated at 10 percent above the crop of 1938 despite severe damage by drouth and grasshoppers in some sections. Carryover is moderate.

Lespedeza seed production in 1939 is estimated at 57 percent of the record crop of 1938, but the carryover was unusually heavy and supplies are therefore expected to be sufficient for seedings in 1940.

Supplies of bluegrass, timothy, redtop and sudan, while reduced as compared with red clover, are thought to be large enough to meet planting requirements.

INSECT HAZARDS

Chinch bug infestation heavy. Large numbers of chinch bugs are in hibernating quarters thruout central Illinois in the fall of 1939, the numbers in some places being nearly as great as in the fall of 1933.



**Stored-grain insects, infestation on
November 15, 1939**

In the area of infestation stored grain should be inspected once a month if serious damage from insects is to be avoided.



**Chinch bug infestation on
November 15, 1939**

There are enough bugs in the heavily shaded area to cause serious damage if the spring of 1940 is hot and dry.

In 1934 chinch bugs destroyed more than 30 million dollars' worth of Illinois farm crops. The approximate areas in which chinch bug damage will be heavy in 1940 if May and June are dry, are shown on the accompanying map.

Stored-grain insects a serious threat. Insects attacking stored grains have increased in numbers during the past three years. Small grain and shelled corn in storage should be inspected every month to guard against severe damage. Nearly twice as many of these insects were in corn in the field during the fall of 1939 as in the fall of 1938. In the southern third of the state corn in nearly every field was infested with the Angoumois grain moth before it was shucked and placed in the crib. Unless such infested corn is used before June 1, 1940, it is likely to be seriously damaged.

Grasshoppers not a menace in 1940. Grasshoppers have declined in numbers during 1939 and it is not likely that they will cause any appreciable damage in 1940.

Grape colaspis a threat in 1940. In all the north-central, central, and south-central Illinois counties in 1940 the grape colaspis threatens widespread damage to corn following clover and soybeans.

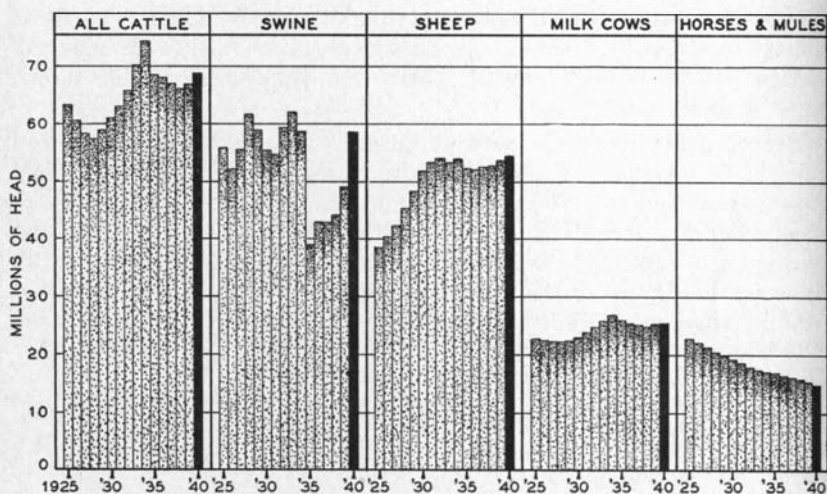
LIVESTOCK AND LIVESTOCK PRODUCTS

BEEF CATTLE

Further expansion expected. Continued expansion in beef-cattle production is expected in 1940 following the upswing in the beef-cattle production cycle which began in 1938. Abundant supplies of feed grains and forage have acted as a further stimulus to production. Cattle numbers in states east of the Mississippi river are the largest on record. If range conditions in the western states are favorable in 1940, substantial increases in numbers of breeding stock are expected there.

Slight decline in slaughter. Total slaughter is expected to decline in 1940 as a result of demands for cows and heifers for restocking ranges, but slaughter of fed steers is likely to show a moderate increase. Shipments of feeder cattle from stockyards into the corn belt from July to October, 1939, were 16 percent larger than in 1938, and combined stockyard and direct shipments were the largest in the last 15 years. Most of the increase in cattle feeding in the corn belt in 1939-40 is expected to be in the states east of the Missouri river, the largest increase occurring in the central corn belt. Increases west of the Missouri are likely to be small because of a short corn crop there.

Heavier marketings in first half of year. Marketings of fed cattle in the late winter and spring of 1940 are expected to be larger than for



Livestock on farms in the United States on January 1, 1925-1939, and estimated numbers for January 1, 1940

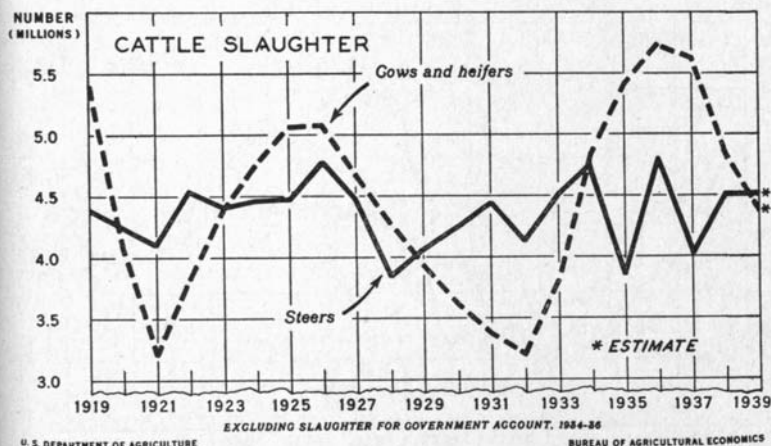
The increase in cattle numbers which began in 1938 is expected to continue during the next few years. Hog numbers, which have been on an upward trend since 1935, are expected to increase somewhat further in 1940.

the corresponding period in 1939. Summer and fall marketings in 1940 are not expected to be greatly different from those in 1939.

Price margins narrow, summer and fall prices higher. Relatively high prices for feeder cattle indicate that the margin between prices paid for feeders in the fall of 1939 and the price of finished cattle in 1940 will be small unless a substantial advance occurs in the prices of slaughter cattle. It is possible that prices of the better grades of slaughter cattle in the first quarter and perhaps the first half of 1940 will average lower than a year earlier. In the summer and fall, prices of such cattle may average considerably higher than in the corresponding period in 1939.

Imports will probably be smaller. Partly because of the relatively high U. S. prices for cattle and beef, imports were materially larger during the first nine months of 1939 than during the corresponding period of 1938. Combined imports of cattle and beef were equivalent to about 6 percent of the total dressed weight of cattle and calves in the domestic slaughter. Present indications are that 1940 imports of live cattle will be smaller than the 1939 imports. Favorable range conditions will cause cattle to be held back for replacement purposes in Mexico and the western Canadian provinces. No increase in imports of Argentine canned beef is anticipated unless the war interferes seriously with Argentine commerce with Great Britain.

War effects will be indirect. The chief effects of the war on the cattle industry will probably be felt thru the improvement which will



Federally inspected slaughter of steers, and of cows and heifers, 1919-1939

Fewer cows and heifers have been slaughtered since 1937, as farmers and ranchers have held back these classes of animals for breeding purposes. Consequently, numbers of cattle on farms are now increasing, and production of beef will soon begin to expand. But no increase in beef slaughter is expected in 1940.

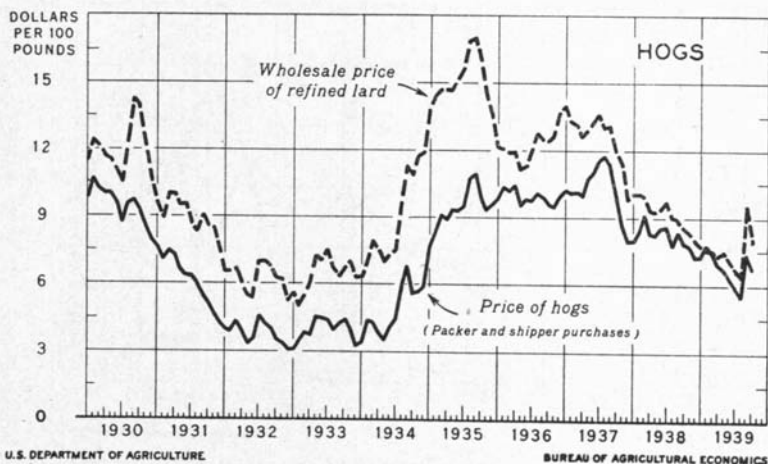
occur in the domestic demand for meats, and an increase in the foreign demand for hides and pork.

Marketing favored over herd increases. Cattle prices during recent years have been maintained at higher levels than would have prevailed except for the marked shortage in hogs. With hog production now at a high level it would seem that cattle producers might well utilize the coming period of improved demand to market fairly heavily rather than to expand their breeding herds.

HOGS

More hogs for market. Abundant feed supplies and a favorable hog-corn price ratio point toward a continued increase in swine production thru 1940, but not as large an increase as in 1939. The 1939 pig crop is estimated at 83 million head, one of the five largest crops on record, and 17 percent larger than the 1938 crop.

Inspected hog slaughter in the 1939-40 marketing year is expected to be the largest in seven years and probably slightly larger than the predrouth (1929-1933) average. It will be about 20 percent greater than in 1938-39. Average weights of hogs will continue relatively heavy—about the same as the 1938-39 average of 236 pounds. A fairly large seasonal increase in hog marketings is occurring during the present fall (1939). In the late winter and early spring of 1940 the seasonal decrease in marketings from the winter peak will probably be about average. As in 1938-39, the slaughter supplies of hogs in the summer will be a relatively large proportion of the yearly total.



Prices of hogs and lard at Chicago, 1930-1939

After declining steadily since mid-1937, the prices of both hogs and lard rose sharply in September, 1939, tho they declined seasonally in October. Improved domestic and foreign demand may largely offset the price effect of larger supplies in 1940. Usual seasonal price swings are expected.

Storage stocks larger. Because of a larger hog slaughter and an anticipated improvement in both domestic and foreign demand, winter storage both of pork and of lard will probably show a greater increase and reach a higher total during 1939-40 than it did in 1938-39. On September 1, 1939, storage stocks of pork were somewhat larger and stocks of lard slightly smaller than a year earlier; but both items were smaller than the 1933-1937 average.

Larger exports of pork and lard. Foreign demand for U. S. pork and lard is likely to strengthen in 1939-40 as a result of the European war. In 1938 pork exports were 2 percent and lard exports 13.3 percent of the total domestic consumption, but in 1939 they increased substantially from those low levels. British imports of bacon and ham from Baltic countries have already been curtailed in the autumn of 1939. Hog production in Great Britain and France will be reduced, and the United States is the only pork-exporting country outside of Europe having supplies large enough to offset a substantial decline in British imports from the continent. There is a possibility also of pork being exported to France, Canada, and Cuba. Pork exports are expected to increase more than exports of lard.

It is probable that the war in Europe will virtually stop imports of pork products into the United States.

Hog prices will average about as in 1938-39. Prices for hogs will probably average lower than a year earlier in the first half of the 1939-40 marketing year, and higher than a year earlier in the last half of the year. Both domestic and foreign demand for U. S. hogs will probably be stronger in 1939-40 than in 1938-39, especially during the summer and fall. Offsetting the stronger demand, however, will be an increase in the slaughter of hogs. The usual seasonal fluctuations in prices of hogs may be anticipated.

SHEEP AND WOOL

Feeder prospects favorable. Total numbers of sheep on January 1, 1940, are estimated to be moderately higher than a year earlier, some of the increase probably being in numbers of sheep and lambs on feed rather than in numbers of stock sheep. The 1939 lamb crop was 1 percent smaller than the record crop of 1938. The number of western range lambs on feed in the corn-belt states is larger than in 1938, but this is partly offset by fewer in Colorado, the largest lamb-feeding state. Since lambs fed in the Central states are usually marketed before March 1, supplies are expected to be liberal until that date. Altho some lambs were bought at high prices, prospects for moderate profits are favorable, as feed is abundant and relatively cheap. Because of improved consumer demand for lamb and wool, prices are not expected to be adversely affected to a great extent by increased supplies.

Wool stocks smaller and prices up. Wool prospects are favorable, as stocks in this country are smaller than in 1938 and below the average for the years 1933-1937. Since September 1, prices have advanced more than 50 percent, mill activity is high, and demand strong. The strengthening of prices is owing largely to the effects of the European war, which is likely to be a more important price factor for wool than for other agricultural products, because U. S. wool production is seldom as large as U. S. consumption. British governmental control of the Australian clip apparently removes 50 percent of the Southern Hemisphere supplies of wool from international trade. Prices of medium grades of wool, the grades produced by many Illinois sheep, are usually most influenced by war conditions.

HORSES AND MULES

Continued decline in numbers. Not enough colts are being produced to replace old work stock. On January 1, 1939, the number of horse and mule colts under one year old was 6.5 percent lower than a year earlier. Tractors of the all-purpose type have replaced many horses, and will replace more if prices of farm products advance.

Prices downward. The downward trend in prices of horses and mules is likely to discourage farmers from breeding for the market. A decline of 30 percent in market receipts during the first nine months of 1939 failed to stimulate prices. Orders for war purposes will probably not be large enough to have much effect in the immediate future. On the other hand, the substitution of mechanical power for that raised on the farm has helped to lower feed prices and has increased the cash outlay for power. Cheap feed combined with large acreages in pasture and meadow favors the production and use of horses and mules.

POULTRY AND EGGS

Conditions in the early part of 1940 are expected to be less favorable for poultry and egg production than they were in 1939. Some improvement is probable during the last half of 1940.

Smaller hatchings in 1940. The total number of chicks hatched commercially during 1939 was the largest for any year of record—21 percent larger than in 1938, and 19 percent larger than in 1936, which was the previous high year of record. Since the feed-egg ratio is less favorable than it was a year ago, and will probably continue unfavorable into the spring of 1940, a reduced demand for baby chicks is expected, with a smaller total hatch.

Larger marketings of eggs and poultry. The large 1939 hatch means somewhat larger laying flocks in 1940. Unless severe winter weather reduces the rate of lay, total egg production during the first

half of 1940 will be somewhat greater than during 1939. A smaller hatch in 1940 will mean some reduction in egg production toward the end of the year.

Poultry marketings in the first eight months of 1939 were 24 percent above those in 1938, mainly because of the increased production of winter broilers and an increased number of hens sold from the larger laying flocks. Because of the heavier 1939 hatch and the larger laying flocks now on hand, market poultry receipts during early 1940 are expected to continue above those of the previous year.

Storage holdings higher. Combined stocks of shell and frozen eggs in the United States at the peak of the 1939 season, August 1, were about 8 percent above the abnormally low stocks of 1938, but 8 percent below the 1928-1937 average. No great change in 1940 is expected. Stocks of frozen poultry at the peak in early 1940 are expected to be heavier than in 1939 but lighter than the record holdings of 1937. With smaller hatchings in the spring of 1940, the into-storage movement of poultry during late 1940 is expected to be smaller than in 1939.

Less favorable prices. Prices of poultry meat will probably be less favorable this winter than a year earlier because of greatly increased marketings. Reduced marketings in the latter part of 1940 will tend to raise poultry prices, but no marked increase in egg prices can be expected.

Smaller turkey crop likely. Turkey production in 1940 is expected to be somewhat smaller than the record crop of 1939, which is 22 percent above 1938 and 15 percent above the previous high record of 1936. Turkey prices during the rest of the present season will probably be less favorable to producers than a year earlier.

DAIRY OUTLOOK

Dairy prices higher. During the winter and early spring of 1940 dairy prices will probably average higher than for the corresponding period of 1939. The recent strengthening of dairy prices has been the result of a general business improvement, a rise in commodity prices, and a reduction of storage stocks of dairy products brought about by heavier consumption coupled with only a slight increase in total production. Further increases in price will depend primarily on further improvement in consumer incomes.

More milk cows. Continued increase in number of milk cows is expected in 1940. It is estimated that on January 1, 1940, there will be on farms 5.4 million head of dairy heifers one to two years old. That number of heifers will be the largest in proportion to dairy cows in twenty years. There will also be on farms on January 1, 1940, about



**Cows, heifers, and calves being kept for milk cows, United States,
January 1, 1920-January 1, 1940**

Because of the large numbers of heifers and calves being kept for milk cows, the number of dairy cows on farms is expected to increase more rapidly in 1940 and 1941 than it did in 1938 and 1939. Rising consumption of dairy products, caused by improvement in business and more efficient marketing systems in some cities, may easily offset the price-depressing influence of more milk.

5.8 million heifer calves being kept for milk cows, which is 4 percent more than a year earlier and the largest number on record in relation to the number of milk cows.

The increase in the number of milk cows in 1940 will probably be about the same as in 1939 and 1938, or about 1 percent. The actual increase will depend to a large extent on the rate of culling. Since fewer cows are having to be removed each year by disease-control programs, numbers are likely to be reduced only by the usual culling practices, except that some shift of dual-purpose cattle from milk to beef production is possible.

High milk production in prospect. With more milk cows, ample feed supplies, and a fairly favorable relation between the prices of dairy products and farm feeds, total milk production during the winter feeding season of 1939-40 is expected to be about the same as the heavy production during the same period in 1938-39. The supply of feed grains and by-product feeds per animal unit is about 10 percent above the predrouth average, and the supply of hay per hay-consuming animal unit is about 7 percent above this average. In general, the relation between prices of butterfat and prices of feed has been about as favorable for dairy producers in 1939 as the average since 1920. No marked change is in prospect for the winter of 1939-40.

Total production of manufactured dairy products in 1939 has been

about the same as in 1938, and approximately the same level is anticipated for 1940.

Increased consumption of dairy products. Consumption of dairy products was unusually high during the first nine months of 1939, and the percentage increases for the year as a whole will probably be close to those of the first nine months. With continued improvement in business some further increase in the consumption of fluid milk, cream, and ice cream is expected to occur in 1940. The consumption of other dairy products will probably be about the same as in the fall of 1939, perhaps increasing slightly. Butter consumption during the first nine months of 1939 was 11 percent above that of the same period in 1938, distribution for relief accounting for a considerable part of the increase, tho regular trade channels showed a 5-percent gain. Cheese consumption was no higher in 1939 than in 1938, but in 1938 it was 5 percent above the previous peak year. Consumption of evaporated milk showed an increase during the first nine months of 1939 over the 1938 all-time high. It is unlikely that exports of evaporated milk will increase materially in 1940.

Marked reduction in stocks. Manufacturers' holdings of evaporated milk on September 1, 1939, were 15 percent less than a year earlier. Cold-storage holdings of cheese on October 1 were 20 percent less than on the same date in 1938 and the smallest for that date since 1932. On October 1 cold-storage holdings of butter were 155 million pounds, whereas on the same date in 1938 they were 211 million pounds. Holdings of butter by government agencies are decidedly lower at the close of 1939 than they were a year ago, but trade holdings are decidedly higher, consisting of 128 million pounds as compared with 109 million a year earlier.

OUTLOOK FOR FRUITS

More fruit in general. Significant increases in the production of all citrus fruits are expected, with lesser increases for peaches, pears, cherries, and grapes, and a continued decline in apple production. During the past twenty years average per-capita production of thirteen fruits has increased from 176 pounds to 207 pounds, a gain of about 18 percent. Production of citrus fruits has doubled, while apple production has declined 20 percent. Foreign demand for U. S. fruits is expected to decline as a result of increased production in foreign countries and the reduction of imports of fruits by the warring nations.

Apples face keen competition. Competition between apples and citrus fruits is likely to be keen over the next several years because of heavy crops of citrus fruits. Tho the U. S. commercial crop (that portion sold for fresh consumption) for 1939 is estimated at 101 million

bushels, a gain of 22 percent over 1938 and 5 percent over the average of the ten years 1928-1937, apple production is expected to continue to decline because of reduced acreage. From 1910 to 1935 the total number of apple trees in the United States decreased from 217 million to 100 million (83 million of bearing age). Should tree numbers continue to decrease at the same rate as in 1925 to 1935, the number of bearing trees will be about 74 million in 1940 and 66 million in 1945. Plantings in Illinois are not considered sufficient to offset tree losses and decreased tree vitality. Increased apple production is forecast in foreign countries.

The Illinois 1939 commercial crop of apples is estimated at 4.7 million bushels. Sales at harvest time were unusually heavy. Storage holdings are much below those in recent years of heavy crops.

Peaches to increase. A continuation of the upward trend in peach production is indicated for the next five years in all important regions of the United States where peaches are marketed as fresh fruit. The 1938 and 1939 crops averaged about 11 percent larger than the 51-million-bushel average of 1933-1937. If new plantings continue, there is some danger of overexpansion. Plantings in Illinois, however, are not considered more than sufficient to regain tree losses sustained since 1935. High-quality fruit, attractively packed, continues to be the easiest to market. Some orchardists, in order to get this high quality, need to harvest their peaches at a more mature stage.

Pear increases slowing down. U. S. pear production is expected to continue upward, but at a more moderate rate than in recent years. New plantings in the West are now mostly replacements.

Large strawberry crop in prospect. U. S. acreage of strawberries for picking in 1940 is estimated at 197,000 acres,—which is about 2 percent above 1939 and 9 percent above the 1928-1937 average. An increase of 6 percent is indicated for the intermediate states and 7 percent for late states, with decreases elsewhere. As yet only about 5 percent of the U. S. crop is utilized in quick freezing and in canning. Illinois beds are reported to be in fair condition only. Pan-graded berries have had a price advantage in recent years.

Raspberry outlook favorable. Additional plantings of red raspberries in southern Illinois, and of both reds and blacks for local markets in central and northern regions, should be profitable.

Grape production upward. U. S. grape production is likely to increase slightly during the next few years because of plantings in California. A decrease in acreages is indicated in most other states. Carry-over of grape products into the 1939 marketing season was very large.

Caution needed in nut planting. An upward trend in production of most nuts is indicated. Top working of young seedlings to improved varieties should increase profits.

OUTLOOK FOR VEGETABLES

Truck hauling alters situation. The old-time intensive market garden is fast losing ground. Large-scale mechanized production in favorable localized areas is increasing. Practically all commercially raised vegetables are now hauled to market in large truckloads. Small truckloads of mixed vegetables are being eliminated. This concentration of vegetable crops in definite areas has a tendency to reduce the number of growers and to increase total acreage and total yield.

Market sweet corn—no change in total acreage. In Illinois good prices for the early and again for the late crop, with very low prices in midseason, left a profitable average for the year 1939. More early and very late corn is expected to be planted in 1940 and less midseason corn.

Market tomatoes—no change in total acreage. In Illinois the earlier crop brought a satisfactory price, but prices of the late fall crop were low. Heavier planting of earlier and lighter planting of later tomatoes will leave the Illinois total about the same as in 1939.

Sweet potatoes—acreage reduction expected. Total U. S. acreage and yield of sweet potatoes were very high in both 1938 and 1939, and low prices prevailed both years. The U. S. acreage in 1940 probably will be decreased slightly.

Melons—shift toward commercial plantings. Scattered small acreages on poorly adapted soils are proving unprofitable and will be reduced in 1940. The introduction of wilt-resistant varieties will probably lead to a moderate increase in the commercial melon-growing regions. Truckers go to areas of large-scale production.

Irish potatoes—acreage increase expected. Early potatoes were a profitable crop in St. Clair and Madison counties in 1938 and 1939. Plans are under way for a considerable increase in 1940. Late-potato acreage in northern Illinois will also be increased moderately.

Cabbage—acreage increase expected. Continued drouth in Wisconsin and other cabbage-producing states has markedly reduced the tonnage of 1939 late cabbage. Prices are higher than for several years. Larger plantings of both early and late cabbage in 1940 are expected.

Popcorn—emphasis on graded crop. The production and sale of undried and ungraded popcorn from small plantings is proving unprofitable. These small plantings will be reduced. The larger acreages of growers who are equipped to dry and grade their crop will probably be unchanged.

Home gardens. The spread of farmers' cold-storage locker systems has given locker users new interest in the home garden as a source of fresh vegetables for freezing. On the other hand, the expectation of higher farm incomes will lessen somewhat the interest of farmers

in the home garden. Improved employment conditions are expected to reduce the number of city and suburban gardens.

Cannery-crop acreage and prices. The heavy accumulation of canned stocks closed several factories in Illinois and other states in 1938 and 1939. Other canners reduced their acreages and offered lower contract prices to growers. Total stocks on hand were reduced even tho good yields still kept stocks at a higher level than was desired. In August and September, 1939, a wave of war hysteria moved large quantities of canned vegetables out of cannery warehouses into wholesale and retail trade channels and into family larders. Stocks now on hand are not oppressive, and the canners have funds with which to operate.

Sweet-corn acreages in Illinois will probably be increased from the 1939 level of 69,000 acres but not to the 1936 high mark of 85,000 acres. The acreage of cannery peas is likely to be increased moderately. Tomato acreage will be increased. Asparagus from new acreage for canning is now coming into bearing and will be canned. Prices for cannery crops are expected to be moderately higher than in 1939.

FORESTRY OUTLOOK

Little change likely in prices and demand. For two years the market for Illinois forest products has held fairly even, and in 1940 prices and demand will probably remain close to those which prevailed thruout 1939. There has been a tone of uncertainty, however, thruout the wood-using industries, making it difficult to get price quotations for more than a few weeks ahead. Any change in the market should be for the better. Woodland owners should investigate the market carefully before making sales, especially of high-quality products.

Saw-log demand improved. Prices for saw logs held up during 1939, and the demand for mixed species is better than it was in the fall of 1938. The present winter may provide a good opportunity to improve woodlands by getting rid of some low-quality trees. High-quality veneer logs are scarce, and there is always good demand at top prices. The stave-wood market is active, with prices stabilized at a level appreciably below the unusually high level of 1937. Demand for railroad ties is fair, with no change in prices from last year.

Good supply of planting stock. The supply of planting stock for reforestation of idle land has been increased and the quality improved. Prices have been slightly raised for both hardwoods and evergreens because of increased costs of production.